

THE BREADSTICKS FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018



Caladine
Chartered Certified Accountants

THE BREADSTICKS FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms Beatrix Payne (Chair) Dr Paul Ballantyne (Secretary and Treasurer) Ms Beatrice Roberts
Charity number	1125396
Auditor	Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF
Bankers	Co-operative Bank Plc 1 Balloon Street Manchester M60 4EP

THE BREADSTICKS FOUNDATION

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THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The Trustees present their report and accounts for the year ended 30 September 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's declaration of trust, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objects of the Foundation are to advance education and to protect and preserve good health with a particular focus on Africa, India, Southeast Asia and the UK.

The Trustees confirm that they have referred to the guidance contained within the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant making policy for the year. In so doing, the Trustees have complied with the duty in section 17 of the Charities Act 2011.

The Foundation carries out its objectives by:

- funding community programmes whose efforts enable the provision of education or healthcare support.
- funding programmes that are small-scale activities embedded in local communities, or large-scale organisations
- funding programmes whose recipients are often marginalised
- funding programmes in the focus geographical areas

By focussing on these areas we achieve our strategic priorities of:

- helping communities to create sustainable futures through support for and provision of education and healthcare
- building long-term partnerships with the organisations we support.

Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

Grant making policy

Grant applications are by invitation only and must fit within the Foundation's objectives described above. We aim to build close, long-term partnerships with the organisations we support. Where possible we aim to provide partner organisations with long-term core funding but will also provide project-related grants. Grant sizes vary. Grants made by the Breadsticks Foundation clearly fall within the thirteen "Heads of Charity" outlined by the Charity Commission for England and Wales and defined in the Charities Act 2011.

The countries in which the Foundation currently works directly are the United Kingdom, South Sudan, Uganda, Kenya, South Africa, India and Laos. The Foundation will not sponsor individuals or fund work with animals, medical research or capital and building projects. We will not fund faith-based programmes unless they work with beneficiaries from all faiths and none.

We participate closely in monitoring and evaluation with our partners and, in order to achieve this, require half-yearly progress reports on each grant. In assessing a grant application, we will analyse each applicant's financial reports and accounts and will conduct telephone and face-to-face interviews.

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The Trustees are open to collaborative funding of organisations and programmes with other grant-making bodies and already do this through the Foundation's involvement with Islington Giving, St Mary's Islington Community Partnership, Urban Hope and Doctors of the World.

Achievements and performance

During the year Trustees visited Hope and Homes for Children's operations in Rwanda and observed its work with partners in East Africa; visited Community Psychosocial Support Organisation's work with South Sudanese refugees in Moyo, Uganda; and visited Doctors of the World, Islington Giving and School Home Support's operations in southeast England. We were very pleased to see the progress achieved with the assistance of grants from the Breadsticks Foundation.

The following summarises our grants approved or disbursed in the year ending September 2018:

Grants in Africa

- **Basic Needs, Kenya.** *The grant enabled Basic Needs Kenya to support staff and build capacity at mental health specialist Community Psychosocial Support Organisation (previously South Sudan Psychosocial Programme) in Moyo, Uganda. We have been funding CPSO since 2012 when it was based in Kajo-Keji providing support and psychotropic drugs to its beneficiaries. It is a recognised player (perhaps the only one) working on mental/psychosocial health for the displaced and traumatised victims of conflict in South Sudan. In the year to July 2018, 1132 men, women, boys and girls were assisted to overcome trauma and live successfully in refugee camps and settled community spaces. A beneficiary of SSPP's services in Kajo Keji said of SSPP's support on settling into life in a refugee camp in Uganda "it's as if we are prepared for the next bad thing."*
- **Dreamfields Project, Johannesburg, South Africa.** *Our grant enabled the provision of football and netball coaching, equipment and leagues at schools in Ingwavuma, KwaZulu Natal, in association with Zisize Educational Trust. 1776 schoolchildren signed up for football and netball DreamLeagues organised by Dreamfields in the year to November 2018, 896 boys and 880 girls.*
- **Three2Six, Sacred Heart College, Johannesburg.** *We gave core operational funding to Three2Six which provides after-hours education to refugee children in Johannesburg to prepare them for mainstream schooling. We have been funding Three2Six since 2012 and have seen it grow from 150 children (with just two other funders) to, at the end of 2017, 275 children, each receiving 15 hours of tuition a week, as well as hot meals and uniforms, sports and arts programmes and school holiday activities. All graduating Grade 6 learners were placed in a mainstream school for 2018.*
- **Zisize Educational Trust, Ingwavuma, South Africa.** *We funded the role of a Deputy Director to bolster Zisize's management and help its work with seven local schools in this remote and impoverished part of South Africa. The local municipality commented in October 2018 "we really appreciate Zisize's work".*

Grants in Asia

- **Lao Disabled Women's Development Centre, Vientiane, Laos.** *We help fund this residential centre that accommodates and trains disabled women and provides outreach training to villagers, community workers and sector partners. At the beginning of 2018, 58 women were receiving vocational training and capacities building training, of which 25 students were learning sewing, computer skills, English, finance and business planning. The sale of handicraft production covered roughly half of the Centre's operating costs in 2017. Accommodation was provided for 13 students from poor families, from across Laos. Of these, 8 students returned to their home towns to start their own sewing businesses and were supported in purchasing a sewing machine.*
- **Mumbai Mobile Creches, Mumbai, India.** *From 2013, we committed to a multi-year grant to enable MMC to continue to care for the children of workers on construction sites around Mumbai as well as improve its fundraising and strengthen its advocacy work. At the start of 2018, MMC operated 21 Day Care Centres on construction sites, 12 Child Care Centres and were setting up Community Outreach Programmes on 4 sites, reaching a daily average of 1221 children, serving them 85,000 meals a month.*

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

- **The Banyan, Chennai, India.** Our grant goes towards core costs for this provider of community-based health care and support to people with poor mental health in Chennai and rural areas near to it. As at August 2018, The Banyan had 119 clients at its Emergency Care and Recovery Centre (ECRC) in Chennai, 270 people enrolled in its aftercare programme and 136 in its Home Again residential programme. Importantly, The Banyan has recently signed an agreement with the Government of Tamil Nadu for them to establish two further ECRCs. We have supported The Banyan since 2013.

Grants in the United Kingdom

- **Beanstalk.** Beanstalk recruits, trains and supports volunteers to provide one-to-one literacy support in primary schools to children who have fallen behind with their reading. Our grant enabled Beanstalk to recruit, vet, train and support 101 volunteer reading helpers in 2018 to support 327 children at primary schools in Manchester and Rochdale. This intervention improved the children's confidence, passion for reading and ability to engage with learning independently. Records showed that only 20% of children remained below the requisite reading level after support from a volunteer reading helper, compared to 42% before. We also provided a matched funding agreement to enable Beanstalk to unlock significant funding support from two local businesses. We have supported Beanstalk since 2010.
- **Brighton Oasis.** The grant funded core costs for Young Oasis, a therapy centre providing support to children affected by family alcohol or drug misuse in Brighton and Hastings, East Sussex. Our funding has enabled the centre to nearly double its capacity. In the first half of 2018, 39 children aged between 5 and 18 were seen for 1:1 therapy and a further 52 aged 0 to 10 attended the Young Oasis crèche. Of these, 42% aged 11 to 18 moved from scoring high levels of risk and low well-being to categories that put them in line with their age average and 82% aged 6 to 10 who indicated high levels of vulnerability at the start of therapy scored themselves at healthy levels after.
- **Carers Worldwide.** We funded core costs for Carers Worldwide's India-based operation which works with three local partner organisations to support carers. An independent external evaluation by The Commonwealth Foundation in 2017 on carers of the disabled and mentally ill in India concluded that "the model of intervention of Carers Worldwide appeared very effective" and recommended its further replication.
- **Doctors of the World.** Since 2016, our grant has provided funding for the work of a family clinic meeting the ante- and post-natal needs of migrants, trafficked women and those with no recourse to public funds in Bethnal Green, east London. The clinic saw 47 children and 118 pregnant women in the first half of 2018. Feedback showed that 89% of service users were supported to register with a GP, 89% said they felt confident to see their GP about their health concerns and 97% felt their health had benefited as a result of attending the DotW clinic.
- **Freedom from Torture.** This organisation provides care and rehabilitation to survivors of torture and other forms of organised violence. Our funding contributed towards the operating costs of the Northwest Treatment Centre (NWTC) in Manchester. In 2018, the NWTC supported 177 survivors of torture, through therapeutic and welfare/legal support, having a transformative impact on their psychological wellbeing and resilience. According to one, "here has totally changed my life, from danger to safety, homeless to housed, emotionally and in every way, I can't thank this place enough."
- **Hanley Crouch Community Association.** We part funded, with Islington Council, the core costs of an after-school club and holiday project for children in Finsbury Park, north London and helped support the transition of the project to a new purpose-built community centre. By the end of 2017, between 35 and 45 children were attending the after-school club every day.

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

- **Hope and Homes for Children.** Our grant funded HHC's work in Africa, South America and Central Europe where HHC helps orphaned and vulnerable children live in supported and sustainable family units. We have funded HHC since 2009 and are pleased to have seen them grow to become an acknowledged global expert in the deinstitutionalisation of childcare, working alongside governments and civil society organisations to dismantle orphanage-based care systems. HHC are now active in seven countries have a presence in 21 others and three further strategic pilot projects. In the five years to 2017, HHC prevented 52,410 children from being institutionalised, and placed a further 6,120 in family and community-based care.
- **Islington Giving,** is an alliance of Islington-based organisations and individuals aiming to tackle isolation, poverty and lack of opportunity for young people in the north London borough. Our grant was unrestricted and leveraged considerable additional funding from other local sources. We have supported Islington Giving since 2010 and are pleased to see it emerge as a model for place-based philanthropy across London.
- **Ministry of Stories.** Our grant supports some of the core costs of this literacy programme operating in Hackney, Tower Hamlets and Islington in London. In the six months to March 2018, MoS worked with 359 children through its schools' programme and held workshops at its base in Hoxton attended by a further 299. In 2018, MoS expanded its activities to two further primary schools and set up projects in Newcastle and Colchester.
- **School Home Support.** The grant provided core funding for SHS's work across England to help tackle absenteeism and truancy from primary schools by working with children and their families. We have supported SHS since 2012. 8,182 children, young people and families were directly supported by SHS in the year to August 2018. Results over the last two years showed that support from an SHS practitioner resulted in an average attendance improvement of 24 percentage points, equivalent to an average of 46 extra days in school per child per year.
- **St Mary's Islington Community Partnership.** Our grant provided match-funding to enable Mary's youth club to deliver its programmes to support young people, particularly in terms of increased confidence and mental resilience. We have supported Mary's since 2016 and are pleased to have seen Mary's professionalise and grow its team and services. Mary's engaged with 327 young people in the year to March 2018.
- **St Mungo's Community Housing Association.** The grant provided core funding to the Lifeworks Psychotherapy Service, created to help vulnerable homeless people with poor mental health in London. In the six months to September 2018, 40 people engaged with Lifeworks therapy, attending a total of 630 1:1 sessions. 99% of people engaging with Lifeworks reported positive outcomes; 100% maintained their housing or made a positive move into housing, 80% improved their personal and social relationships and 79% have improved or maintained their physical health and wellbeing. As one client described it, "they've basically kept me from the cliff edge".
- **Urban Hope, London.** We part fund the salary of a male youth worker to support, through workshops, organised activities and one-to-one advice, the young men attending the Urban Hope youth club in Canonbury. We have been funding Urban Hope since 2015 and in the six months to the end of December 2018, 119 young men were supported through Urban Hope's evening sessions, mentoring and school work.

Financial review

In the period under review, the Foundation received donations of £1,069,000 and £267,250 in Gift Aid and £74 in bank interest while grants amounting to £948,585 were made to the organisations described above. The cash balance at year end was £715,305. In the course of disbursing funds, the Foundation incurred expenses that amounted to 1.19% of funds received.

Reserves and investment policy

The Foundation intends to hold funds ("Reserves") in the form of cash and long-term, low-risk corporate bonds. The reserves will be held to provide an income stream to fund future liabilities, being grants made to partner organisations to further the objectives of the Foundation.

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Risk management

The Foundation is exposed to financial risk through the potential diminution of the value of the Foundation's Reserves. This risk is mitigated by cash balances being kept only as deposits with UK clearing banks and non-cash reserves being held as long-term, low-risk, sterling corporate bonds issued by blue-chip companies in a Charitable Trust Account at Smith and Williamson Investment Management. Dealing discretion on this account is held by the Treasurer and the Chair. Funds are kept to match the near-term financial obligations of the Foundation to its partner organisations.

Operational risk we define as funding disbursed that gives rise to outcomes that are not in line with the Foundation's objectives. We aim to mitigate this risk by thorough, detailed appraisal of the integrity, capacity, capability and governance of potential recipients of funding prior to disbursement of that funding. We also assess the political, economic, social, technological, legal and environmental risks in each country where we fund organisations, with a view to assessing the ability of our partner organisations to conduct their activities freely.

Risks associated with the safeguarding of children, young people and vulnerable adults are important for the Foundation to take account of as, in many cases, the beneficiaries will be those who are particularly vulnerable. Whilst the responsibility for detailed actions on safeguarding must lie with the organisations and individuals directly delivering services or undertaking activities we think that it is essential that the Foundation takes a broad overview and awards grants in ways that enhance safeguarding.

In the award of grants the Foundation will seek evidence of: a safeguarding policy; a named person responsible for dealing with concerns or allegations of abuse; clear guidance on what action to take if allegations are made; a rigorous recruitment and selection process for staff and volunteers who work with children and vulnerable adults; a written code of behaviour which outlines good practice when working with children and vulnerable adults; information for children, vulnerable people, their parents and carers about where to go for help and a protective culture which ensures that if individuals have concerns someone will listen and take them seriously.

Future plans

The funding arrangements of the Foundation will change significantly after this year. We no longer expect to receive large-scale individual donations. Instead, we have been given a portfolio of interest-bearing securities that we expect to generate an annual income to enable us to continue the grant-making function of the Foundation, albeit at a smaller scale. The Trustees are therefore working to reduce the size of the Foundation's portfolio of grants.

Structure, governance and management

The Trustees who served during the year and up to the date of signature of the financial statements were:

Ms Beatrix Payne (Chair)

Dr Paul Ballantyne (Secretary and Treasurer)

Ms Beatrice Roberts

Mr Trevor Macy

(Resigned 10 November 2018)

Ms Alison Bukhari

(Resigned 1 November 2017)

Dr Kirsty Le Doare

(Resigned 10 November 2018)

The Breadsticks Foundation is registered with the Charity Commission in England and Wales, constituted under a declaration of trust signed on 31st July 2008. The Breadsticks Foundation has a minimum of three Trustees appointed for various terms of at least two years. New Trustees are recruited by the existing Trustees on the basis of their experience, empathy with and knowledge of the Foundation's work. On appointment, new Trustees meet with the Chairperson, Secretary and Treasurer and are given a welcome pack consisting of the governing document and latest report and statement of accounts and the Charity Commission's guidance booklet "The Essential Trustee: What you need to know."

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The Trustees meet three times a year to agree strategy and grant making and oversee reserves and risk management policies. Day-to-day management of grants and initial consideration of grant applications are delegated to the Executive Committee consisting of the Chairperson, Secretary and Treasurer.

All Trustees give their time freely and no Trustee received remuneration during the year. Travel expenses incurred when visiting projects and to attend Trustee board meetings are reimbursed.

Statement of trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

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Ms Beatrix Payne (Chair)

Trustee

Dated:

THE BREADSTICKS FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE BREADSTICKS FOUNDATION

Opinion

We have audited the financial statements of The Breadsticks Foundation (the 'Foundation') for the year ended 30 September 2018 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Foundation's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE BREADSTICKS FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE BREADSTICKS FOUNDATION

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matter

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.

Caladine Limited

Chartered Certified Accountants

Statutory Auditor

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Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Caladine Limited is eligible for appointment as auditor of the Foundation by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

THE BREADSTICKS FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

		Unrestricted funds 2018 £	Unrestricted funds 2017 £
	Notes		
<u>Income from:</u>			
Donations and legacies	2	1,336,250	1,310,959
Investments	3	74	8
		<hr/>	<hr/>
Total income		1,336,324	1,310,967
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	4	964,467	1,071,340
		<hr/>	<hr/>
Net income for the year/ Net movement in funds		371,857	239,627
Fund balances at 1 October 2017		315,321	75,694
		<hr/>	<hr/>
Fund balances at 30 September 2018		687,178	315,321
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE BREADSTICKS FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Trade and other receivables	9	2,624		264,715	
Cash at bank and in hand		715,305		52,451	
		<u>717,929</u>		<u>317,166</u>	
Current liabilities					
Other payables	10	30,751		1,845	
		<u>30,751</u>		<u>1,845</u>	
Net current assets			687,178		315,321
			<u>687,178</u>		<u>315,321</u>
Income funds					
Unrestricted funds			687,178		315,321
			<u>687,178</u>		<u>315,321</u>
			<u>687,178</u>		<u>315,321</u>

The financial statements were approved by the Trustees on

.....
Ms Beatrix Payne (Chair)
Trustee

.....
Dr Paul Ballantyne (Secretary and Treasurer)
Trustee

THE BREADSTICKS FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	14		662,780		(22,670)
Investing activities					
Income from investments		74		8	
Net cash generated from investing activities			74		8
Net increase/(decrease) in cash and cash equivalents			662,854		(22,662)
Cash and cash equivalents at beginning of year			52,451		75,113
Cash and cash equivalents at end of year			715,305		52,451

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

Charity information

The Breadsticks Foundation is a registered charity in England and Wales (number 1125396), constituted under a declarations of trust signed 31st July 2008.

The address of the Foundation's principal place of business is 35 Canonbury Square, London, N1 2AN.

1.1 Accounting convention

The accounts have been prepared in accordance with the Foundation's declaration of trust, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Foundation is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Income

Income is recognised when the Foundation is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Legacies are recognised on receipt or otherwise if the Foundation has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies (Continued)

1.5 Expenditure

Liabilities are recognised as soon as a legal or constructive obligation arises committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Costs of activities in furtherance of the charity's objects are grants made by the charity to support its charitable projects, and the support costs relating to the activity.

Support costs comprise administration costs in relation to the grant making, together with governance costs. Governance costs include the costs of preparing and auditing the statutory accounts. The support costs have been allocated wholly to the grant making activities.

The Foundation supports by the provision of financial grants some of those organisations whose own activities are in accordance with the Foundation's objects. Applications are received by invitation only. The sums recognised to the Statement of Financial Activities are those paid in the period under review as whether the conditions attached to the commitment are met by the recipient are assessed on an annual basis.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Foundation's balance sheet when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies (Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the Foundation's contractual obligations expire or are discharged or cancelled.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2018	2017
	£	£
Donations and gifts	1,336,250	1,310,959
	<u> </u>	<u> </u>
Donations and gifts		
Donations	1,069,000	1,048,767
Gift aid	267,250	262,192
	<u> </u>	<u> </u>
	<u>1,336,250</u>	<u>1,310,959</u>

3 Investments

	Unrestricted funds	Unrestricted funds
	2018	2017
	£	£
Interest receivable	74	8
	<u> </u>	<u> </u>

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

4 Charitable activities

	2018	2017
	£	£
Grant funding of activities (see note 5)	948,585	1,057,481
Share of support costs (see note 6)	14,012	11,511
Share of governance costs (see note 6)	1,870	2,348
	<u>964,467</u>	<u>1,071,340</u>
Analysis by fund		
Unrestricted funds	<u>964,467</u>	
For the year ended 30 September 2017		
Unrestricted funds		<u>1,071,340</u>

5 Grants payable

	2018	2017
	£	£
Grants to institutions:		
Basic Needs Basic Rights Kenya / CPSO	-	48,534
Beanstalk (Volunteer Reading Help)	35,840	50,840
Brighton Oasis	46,567	45,654
Dreamfields	29,507	35,096
Freedom from Torture	150,000	150,000
Hope and Homes for Children	300,000	250,000
Islington Giving	50,000	50,000
Lao Disabled Women's Development Centre	39,398	39,053
Mumbai Mobile Creches	-	73,788
Sacred Heart College (Three2Six)	58,958	57,761
School Home Support	50,000	50,000
St Mary Islington Community Partnership	15,000	15,000
St Mungo's LifeWorks	35,205	75,509
The Banyan	50,448	-
Other	87,662	116,246
	<u>948,585</u>	<u>1,057,481</u>

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

6 Support costs

	Support costs £	Governance costs £	Total 2018 £	Support costs £	Governance costs £	Total 2017 £
Travelling expenses	4,377	-	4,377	230	503	733
Conference costs	302	-	302	-	-	-
Grant management software	9,019	-	9,019	8,673	-	8,673
Bank charges	36	-	36	36	-	36
Website	278	-	278	1,032	-	1,032
Research commissioned	-	-	-	1,540	-	1,540
Audit fees	-	1,620	1,620	-	1,620	1,620
Accountancy	-	250	250	-	225	225
	<u>14,012</u>	<u>1,870</u>	<u>15,882</u>	<u>11,511</u>	<u>2,348</u>	<u>13,859</u>
<u>Analysed between</u>						
Charitable activities	<u>14,012</u>	<u>1,870</u>	<u>15,882</u>	<u>11,511</u>	<u>2,348</u>	<u>13,859</u>

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. Travel costs of £3,443 (2017: £230) for a Trustee to assess projects overseas were paid by the Foundation.

The Foundation received aggregate donations of £1,069,000 (2017: £1,048,767) from its Trustees.

8 Employees

There were no employees during the year.

9 Trade and other receivables

	2018 £	2017 £
Amounts falling due within one year:		
Other receivables	-	262,192
Prepayments and accrued income	2,624	2,523
	<u>2,624</u>	<u>264,715</u>

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

10 Other creditors falling due within one year

	2018 £	2017 £
Other payables	28,881	-
Accruals and deferred income	1,870	1,845
	<u>30,751</u>	<u>1,845</u>

11 Commitments

The Foundation has made commitments to fund the following organisations, as specified below. These have not been charged in the accounts since they are dependent on the charities meeting their performance-related conditions, which are assessed by the Foundation. Commitments in foreign currency have been translated into sterling at the exchange rate prevailing at the time of writing.

	2019 £	2020 £
Basic Needs Basic Rights Kenya / CPSO	62,751	62,751
Brighton Oasis	47,498	48,448
Dreamfields	29,152	-
Hope & Homes for Children	300,000	-
Lao Disabled Women's Development Centre	38,344	-
Freedom from Torture	150,000	-
Ministry of Stories	25,000	-
The Banyan	30,000	19,552
	<u>682,745</u>	<u>130,751</u>

Each grant has different performance-related conditions attached to future funding commitments. In general these are not onerous and the Trustees reasonably expect that the Foundation will have to fund the listed commitments, in which case the Trustees will ensure that appropriate donations are made to the Foundation to ensure the necessary funds are available. However funding can be suspended if in the view of the Trustees the terms of the grant funding agreement are not met.

12 Events after the reporting date

One of the donors who support the charity, has decided to cease his annual donation and instead endow the charity with approximately £2.25 million. The intention is for this to be invested in high class sterling corporate bonds aiming to generate annual income of approximately £120,000 for the charity to use on it's grant making activities.

13 Related party transactions

There were no disclosable related party transactions during the year (2017 - none).

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

14 Cash generated from operations	2018	2017
	£	£
Surplus for the year	371,857	239,627
Adjustments for:		
Investment income recognised in statement of financial activities	(74)	(8)
Movements in working capital:		
Decrease/(increase) in trade and other receivables	262,091	(262,289)
Increase in trade and other payables	28,906	-
Cash generated from/(absorbed by) operations	<u>662,780</u>	<u>(22,670)</u>